ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Federal Information Processing Standards (FIPS)

DD/A REGISTRY
FILE: *O* & M-2-2

FROM: D/ODP 2D00, Headquarters	EXTENSION	NO.
STAT		DATE 4 March 1981

TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		
1. DDA, 7D24, Hq.				Max:

This action requests your con-currence on a letter for the DCI's signature, requesting the Secretary of Commerce delegate his authority to waive Federal Information Processing Standards (FIPS) to the DCI or the DCI's designee. FIPS are promulgated by law and executive order by the National Bureau of Standards. There are about 80 standards, pertaining to hardware, software and data. To waive a standard to procure non-conforming disk equipment, for example, an agency head must obtain the approval of the Secretary of Commerce. The FIPS waiver pro-cedures present us with definite security problems, since they involve sharing information about our computing facilities with another agency.

FIPS waiver procedures are an immediate problem because, in the near future, ODP will require a FIPS waiver to obtain the new IBM disk technology, which we view as critical to solving our computer center space problems. We believe the waiver should be granted by a senior Agency manager. Commerce has ignored a previous letter from the former DDA requesting a waiver authority delegation. We hope this DCI request will get the required action. The attached memorandum provides more details. |
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				

STAT

FORM 610 USE PREVIOUS EDITIONS
1-79

CDP-81-152
27 FEB 1981

Executive Registry
81-3641

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director for Administration
                    General Counsel
                    Director of Logistics
                    Director of Security

FROM: Bruce T. Johnson
                    Director of Data Processing

SUBJECT: Federal Information Processing Standards (FIPS)

REFERENCE: Letter from the DIA, Mr. Don Wortman, to the
                    Assistant Secretary for Productivity, Technology
                    and Innovation, Department of Commerce,
                    Dr. Jordan J. Baruch, dtd. 4 November 1980

1. Action Requested: Paragraph 6 is a recommendation
that you sign the attached letter to the Secretary of Commerce
requesting that independent authority to waive Federal
Information Processing Standards (FIPS) be delegated to you or
your designee.

2. Background: Federal Information Processing Standards
(FIPS) are promulgated by the Department of Commerce under the
provisions of Public Law 89-306 (the Brooks Act) and Part 6 of
Title 15 Code of Federal Regulations. These standards are
prescribed for Federal agencies in the acquisition, development,
and use of automatic data processing (ADP) systems and in the
interchange of data between and among agencies and with the
public. The use of such standards, which are adopted after
review by Federal agencies, industry, and the public, is intended
to reduce Government costs and improve the effectiveness of ADP
services. We are supportive of a well-managed Federal ADP
standards program. However, the unique nature of intelligence,
with its concomitant security concerns, causes us special
problems with respect to the open procedures surrounding the FIPS
program.

SUBJECT: Federal Information Processing Standards (FIPS)

3. Each FIPS standard has associated with it a waiver
procedure, whereby, if adverse economic or operational impact can
be demonstrated, an agency may utilize equipment or software that
does not conform to the standard. Authority to waive these
standards resides, depending on the standard, with the Department
of Commerce or the agency head. (Even those standards where the
waiver authority resides with the agency head still require
"coordination in advance" with the Department.) Heretofore, we
have not made any formal waiver requests. As the standards
program has become more active and increased in scope, we find
that full conformance with existing standards is not, in our
judgment, in the Agency's interest. In the future, we will
require occasional waivers and, therefore, we are concerned about
the security implications of FIPS waiver procedures. These
procedures generally will require sensitive information on Agency
ADP systems be shared with the Department of Commerce. We have
described our security concerns in more detail in the attached
letter to the Secretary of Commerce.

4. Our concern with the FIPS waiver procedures is not
hypothetical. For example, we have a near-term problem with FIPS
60-63, which deal with input/output interface standards and would
deny us use of some new mass storage (disk drive) technology
vital to our ADP programs. We believe we have a strong case for
a waiver from FIPS 60-63. However, the existing waiver
procedures for FIPS 60-63 require approval of the waiver request
by the Secretary of Commerce. We are reluctant to make our case
through these existing procedures because of the precedent it
sets and the security implications of having another department
in our ADP procurement process. Again, our concern is with all
PIPS and not just FIPS 60-63.

5. The Secretary of Commerce, under the previous
administration, delegated certain FIPS authority to the former
Assistant Secretary for Productivity, Technology and Innovation,
Dr. Jordan J. Baruch. On 5 November 1980, our former Deputy
Director for Administration, Don Wortman, sent a letter to
Dr. Baruch requesting a general delegation of FIPS waiver
authority to the DCI. The letter (reference) outlined our
security rationale for requesting such a delegation. Three
months have elapsed and we have had no formal response. The
informal response is that Commerce is taking action to delegate
waiver authority, pertaining specifically to FIPS 60-63, to the

2

SUBJECT: Federal Information Processing Standards (FIPS)

heads of all agencies. We welcome this move, but unfortunately
it will not be timely enough for our immediate procurement
needs. Such a delegation will require a minimum of three and
more realistically six months to implement and even then it will
address only FIPS 60-63, not other current or future FIPS. A
timely response from the Secretary of Commerce to the attached
waiver delegation request would overcome these drawbacks.

    6. Recommendation: We recommend that you send the attached
letter to the Secretary of Commerce reiterating our previous
unanswered request for a delegation of independent authority to
you or your designee to grant waivers to Federal Information
Processing Standards (FIPS).

                                    /s/ Bruce T. Johnson

                                    Bruce T. Johnson

Attachment:
  Letter to the Secretary of Commerce

SUBJECT: Federal Information Processing Standards (FIPS)

CONCUR:

/s/ Max Hugel   5 Mar 81
Deputy Director for Administration   Date

/s/ Daniel B. Silver   MAR 4   1981
General Counsel   Date

/s/ James H. McDonald   1981
Director of Logistics   Date

STAT
/s[   ]   2 MAR 1981
Director of Security   Date

APPROVED:

/s/ William J. Casey   5 MAR 1981
Director of Central Intelligence   Date

STAT   ODP/MS/RJW:jal/[   ](February1981)

Distribution:
 Original - DCI, w/atts.
        1 - DDCI, w/atts.
        1 - Executive Registry, w/atts.
        1 - Deputy Director for Administration, w/atts.
        1 - General Counsel, w/atts.
        1 - Director of Logistics, w/atts.
        1 - Director of Security, w/atts.
        2 - D/ODP
        2 - ODP/MS
        2 - ODP Registry
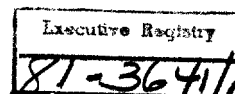
5 MAR 1981

The Honorable Malcolm Baldridge
The Secretary of Commerce
14th and Constitution Avenue
Washington, D. C.   20230

Dear Malcolm:

In a letter to Dr. Jordan Baruch, former Assistant Secretary
for Productivity, Technology and Innovation, Department of
Commerce, dated 4 November 1980, this Agency's former Deputy
Director for Administration, Mr. Don Wortman, requested that the
Department delegate to the Director of Central Intelligence (DCI)
independent authority to grant, for this Agency, waivers of the
provisions of Federal Information Processing Standards (FIPS)
promulgated by the Department. The letter set forth various
security concerns which are raised by the current FIPS waiver
procedures and explained the delegation of procurement authority
which, on account of similar concerns, the Agency has obtained
from the General Services Administration. We have received no
formal response to this request and because of the importance I
attach to it, I would like to take this opportunity to reiterate
our concerns and the straightforward procedure that I believe
will alleviate them.

As you know, requests for waivers from FIPS, depending on
the standard, either require coordination in advance with the
Department, or your approval. In order to support a waiver
request, extensive documentation is typically required by the
Department. For example, one group of FIPS (FIPS 60-63)
explicitly describe what must be included in a waiver request:
"1) a description of the existing or planned ADP system for
which the waiver is being requested, 2) a description of the
system configuration, identifying those items for which the
waiver is being requested, and including a description of planned
expansion of the system configuration at any time during its life
cycle, and 3) a justification for the waiver, including a
description and discussion of the major adverse economic or
operational impact that would result through conformance to this
standard as compared to the alternative for which the waiver is
requested."

This waiver request procedure is cause for considerable security concern to senior CIA management. Under the statutory provisions of the National Security Act of 1947, as amended, the DCI is charged with the responsibility for protecting intelligence sources and methods. Relating this to current and anticipated acquisitions of automatic data processing equipment (ADPE), it is our considered judgment that disclosure through the waiver process of the Agency's capabilities and location of its resources would not only adversely affect the proper discharge of this responsibility but would also, in some cases, represent a grave threat to national security. Our ADPE, whether general purpose or unique to our requirements, is utilized for extremely sensitive intelligence information processing, communications, and real-time intelligence-operation requirements. The type and location of equipment represent, for foreign intelligence agencies, prime targets in terms of operational utilization, equipment capabilities, or the readability of signal emanations. Of equal significance is the fact that, in certain instances, identification with the Agency of specific equipment or sites of operations could be extremely embarrassing to the United States or to friendly foreign governments.

It is my firm opinion that a delegation of independent FIPS waiver authority to the Director of Central Intelligence with appropriate redelegation authority would best protect the national security interests involved in the acquisition and use of ADPE by the Central Intelligence Agency for intelligence information processing, communications and intelligence operational applications. I therefore request that the Secretary of Commerce delegate to the DCI independent authority to grant, for this Agency, waivers of the provisions of Federal Information Processing Standards promulgated by the Department of Commerce.

Your favorable consideration of this request will be sincerely appreciated. I would be pleased to make available the appropriate members of my staff to develop in conjunction with your representatives a suitable delegation of waiver authority. My Director of Data Processing, Mr. Bruce T. Johnson, is available to answer any technical questions you may have. He can be reached at

STAT

Yours,

/s/ William J. Casey
William J. Casey

E R